

**ANNEX II**  
**FEE LETTER**

[Agent Letterhead]

March [ ], 2006

W. R. Grace & Co.  
7500 Grace Drive  
Columbia, Maryland 21044  
Attention: [ ]  
Telecopy No.: [ ]

Re: 4<sup>th</sup> DIP Amendment: Fee Letter

Dear [ ]:

This is the Fee Letter referred to in that certain Amendment No. 4 To Post-Petition Loan And Security Agreement (the "Amendment") of even date herewith among the Lenders, Bank of America, N.A., as agent for the Lenders (the "Agent"), W.R. Grace & Co. (the "Company") and the Subsidiaries of W.R. Grace & Co. parties thereto (collectively, the "Borrowers"). All capitalized terms used herein and not otherwise defined herein shall have the respective meanings given to them in the Amendment.

In addition to any fees or other amounts payable by any of the Borrowers to the Agent under the terms of the Loan Agreement, the Borrowers, jointly and severally, agree to pay to the Agent the following fees (the "Amendment Fees") on the date the Amendment Order is entered by the Bankruptcy Court (the "Effective Date"):

- (1) for the benefit of Agent and the Lenders, a facility fee in the amount of \$937,500;
- (2) for the Agent's sole account, an arrangement fee in the amount of \$300,000; and
- (3) for the Agent's sole account, an administrative fee in the amount of \$150,000.

The Amendment Fees have been and are considered fully earned on the Effective Date and are non-refundable. The Amendment Fees shall be paid pursuant to the following wire instructions:

Bank of America, NA  
ABA #0260-0959-3  
777 Main Street  
Hartford, CT 06115  
Acct. #9369337536  
Acct. Name: Bank of America Business Capital  
Ref: Bank of America Business Capital and W.R. Grace & Co.

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It shall be a condition precedent to the occurrence of the Effective Date that this Fee Letter has been executed and delivered by the parties hereto. This Fee Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the party against whom enforcement of the amendment, waiver or modification is sought.

The parties hereto agree that this Fee Letter will be considered signed when the signature of a party is delivered by facsimile or electronic mail transmission. Such facsimile or electronic mail signature shall be treated in all respects as having the same effect as an original signature. This Fee Letter may be executed in any number of counterparts, each of which when so executed shall be deemed an original, but all such counterparts shall constitute one and the same instrument. This Fee Letter shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the conflicts of laws principles thereof.

Very truly yours,

BANK OF AMERICA, N.A.,  
as Agent

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ACCEPTED AND AGREED:

**BORROWERS:**

W. R. Grace & Co.  
A-1 Bit & Tool Co., Inc.  
Alewife Boston Ltd.  
Alewife Land Corporation  
Amicon, Inc.  
CB Biomedical, Inc.  
CCHP, Inc.  
Coalgrace, Inc.  
Coalgrace II, Inc.  
Creative Food 'N Fun Company  
Darex Puerto Rico, Inc.  
Del Taco Restaurants, Inc.  
Ecarg, Inc.  
Five Alewife Boston Ltd.  
G C Limited Partners I, Inc.  
G C Management, Inc.

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GEC Management Corporation  
GN Holdings, Inc.  
GPC Thomasville Corp.  
Gloucester New Communities Company,  
Inc.  
Grace A-B Inc.  
Grace A-B II Inc.  
Grace Chemical Company of Cuba  
Grace Culinary Systems, Inc.  
Grace Drilling Company  
Grace Energy Corporation  
Grace Environmental, Inc.  
Grace Europe, Inc.  
Grace H-G Inc.  
Grace H-G II Inc.  
Grace Hotel Services Corporation  
Grace International Holdings, Inc.  
Grace Offshore Company  
Grace PAR Corporation  
Grace Petroleum Libya Incorporated  
Grace Tarpon Investors, Inc.  
Grace Ventures Corp.  
Grace Washington, Inc.  
W. R. Grace Capital Corporation  
W. R. Grace & Co.-Conn.  
W. R. Grace Land Corporation  
Gracoal, Inc.  
Gracoal II, Inc.  
Guanica-Caribe Land Development  
Corporation  
Hanover Square Corporation  
Homco International, Inc.  
Kootenai Development Company  
L B Realty, Inc.  
Litigation Management, Inc.  
Monolith Enterprises, Incorporated  
Monroe Street, Inc.  
MRA Holdings Corp.  
MRA Intermedco, Inc.  
MRA Staffing Systems, Inc.  
Remedium Group, Inc.  
Southern Oil, Resin & Fiberglass, Inc.  
Water Street Corporation, each as a Debtor

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and a Debtor-in-Possession

By: \_\_\_\_\_  
Its Senior Vice President or Vice President